

FROM McANDREWS, HELD, & MALLOY

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Application No. 10/729,275

Response dated October 12, 2006

Reply to Office action of September 25, 2006

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**REMARKS**

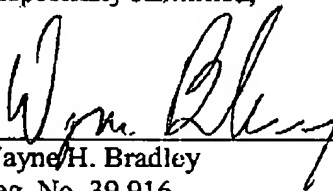
***Claim Rejections 35 USC §101***

Based on a discussion with the Examiner on October 11, 2006, claim 1 and claim 9 have been amended and overcome the Examiner's rejection. These amendments are supported, for example, by paragraph [0003] in the current application, which states, "motion compensation includes a process of copying a two-dimensional block of image data from a previously decoded reference frame to the frame currently being decoded."

With these amendments, the Applicant believes that claims 1 and 9 are in condition for allowance. Claims 2-8 are dependent on claim 1, and claims 10-16 are dependent on claim 9. In view of at least the foregoing, it is respectfully submitted that the pending claims 1-16 are in condition for allowance. A Notice of Allowability is courteously solicited.

Should the Examiner disagree or have any questions regarding this submission, the Applicant respectfully requests that the Examiner telephone the undersigned at (312) 775-8000. The Commissioner is hereby authorized to charge additional fee(s) or credit overpayment(s) to the deposit account of McAndrews, Held & Malloy, Account No. 13-0017.

Respectfully submitted,



Wayne H. Bradley  
Reg. No. 39,916

Date: October 12, 2006

McAndrews, Held & Malloy, Ltd.  
500 W. Madison Street - Suite 3400  
Chicago, Illinois 60661  
(312) 775-8187